

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re: Laughlin Products, Inc. Patent Litigation

MDL Docket No. 1498

ALL CASES

CASE MANAGEMENT STIPULATION AND ORDER

WHEREAS, pursuant to 28 U.S.C. § 1407, by Order dated January 9, 2003, the Judicial Panel on Multi-District Litigation ("Panel") transferred all actions brought by Laughlin Products, Inc. ("LPI") against Hollywood Tanning Systems, Inc. ("HTS") and certain of its franchisees and distributors ("Defendants") for alleged patent infringement to this Court for coordinated and consolidated pretrial proceedings, until such time as the Panel shall remand such cases under 28 U.S.C. § 1407(a), pursuant to request of a party or otherwise;

WHEREAS, a Third Amended Complaint applicable to "ALL CASES" coordinated and consolidated for pretrial proceedings under MDL Docket No. 1498 was entered on June 8, 2004;

WHEREAS, by Order dated July 19, 2004, defendants Hollywood Tanning Systems, Inc., Hollywood Tans, Inc., Heartland Tanning, Inc., and Segler Enterprises, Inc. shall participate in discovery;

WHEREAS, by Order dated July 13, 2004, only defendants Hollywood Tanning Systems, Inc., Hollywood Tans, Inc., Heartland Tanning, Inc., and Segler Enterprises, Inc. must file responsive pleadings to the Third Amended Complaint;

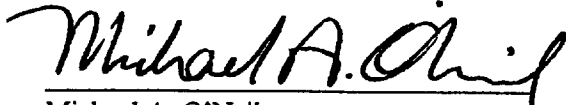
WHEREAS, the parties desire to conduct the pretrial proceedings for the consolidated cases in a fashion that promotes judicial economy, while maintaining the integrity of each of the civil actions consolidated under MDL Docket No. 1498 and ensuring that all necessary

and proper pleadings be made in each civil action so transferred, the parties hereby agree and stipulate as follows:

1. In response to the filing of the Third Amended Complaint in "ALL CASES," defendants Hollywood Tanning Systems, Inc., Hollywood Tans, Inc., Heartland Tanning, Inc., and Segler Enterprises, Inc. shall each file responsive pleadings alleging any and all defenses to the Third Amended Complaint in "ALL CASES."

2. Defendants Hollywood Tanning Systems, Inc., Hollywood Tans, Inc., Heartland Tanning, Inc., and Segler Enterprises, Inc. shall preserve any and all jurisdictional defenses by filing a responsive pleading in accordance with paragraph 1, and such jurisdictional defenses shall not be waived by the failure to file a motion under Rule 12 of the Federal Rules of Civil Procedure.

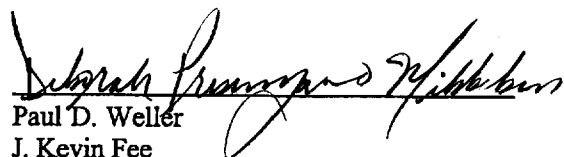
3. The HTS Patent Defendants not identified in paragraph 2 shall preserve any and all jurisdictional defenses, and such jurisdictional defenses shall not be waived by the failure to file a motion under Rule 12 of the Federal Rules of Civil Procedure.



Michael A. O'Neil
Justin Kimble
MICHAEL A. O'NEIL, P.C.
5949 Sherry Lane
Suite 820
Dallas, TX 75225

Attorneys for Laughlin Products, Inc.

Dated: July 30, 2004



Paul D. Weller
J. Kevin Fee
Deborah Prinszano Mikkelsen
MORGAN, LEWIS & BOCKIUS, LLP
1701 Market Street
Philadelphia, PA 19103
(215) 963-4840

Attorneys for HTS Patent Litigation Defendants

Dated: July 30, 2004

SO ORDERED.

Michael M. Baylson,
United States District Judge

Dated: _____